NEVADA

NEVADA EMPLOYMENT SECURITY DEPARTMENT

ECONOMIC UPDATE

JOB SERVICE

O-2640

ROBERT LIST
Governor

SEPTEMBER 1982
Publication Date: October 31, 1982

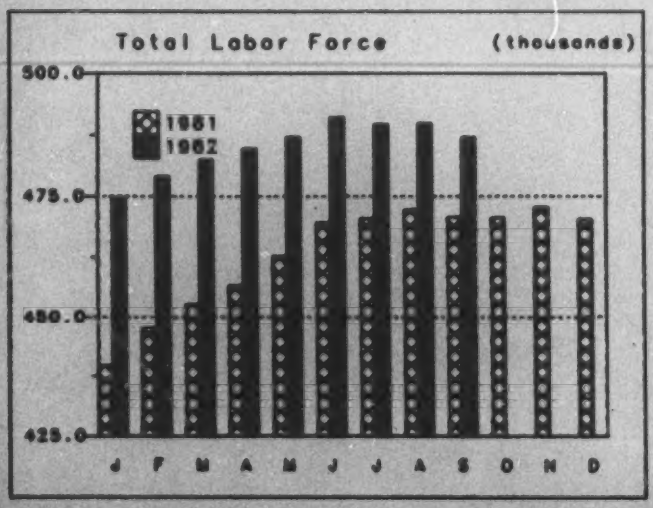
LAWRENCE O. McCRACKEN
Executive Director

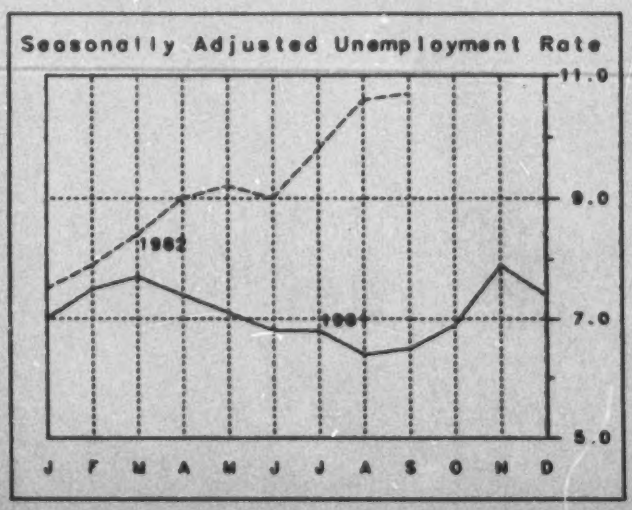
Almost no change was visible in Nevada's unemployment situation as the seasonally-adjusted unemployment rate moved to 10.7 percent in September, one-tenth of a percentage point above the August level. The National unemployment rate finally jumped into the two-digit level, arriving at 10.1 percent from 9.8 the month before. At its highest level since 1941, the current National rate is 2.6 percentage points higher than last year's rate for the same month. Nevada's unemployment rate has shown an even more dramatic increase over the year, however, having risen to the current level from 6.5 percent last September.

The jobless rate for the Reno area remained level at 9.3 percent, compared to 5.3 percent in September last year. Both the Las Vegas and Balance of State (BOS) areas showed slight unemployment rate increases from August to September, registering 11.7 and 9.8 percent respectively. One year ago, the Las Vegas area rate was 7.3 percent, while the BOS area had a 6.1 percent rate. The estimated number of unemployed people in the State has grown nearly 73 percent since last September. Of the more than 50,000 unemployed, nearly two-thirds were in the Las Vegas area.

Establishment-based industrial employment showed a net increase of 1,600 jobs between August and September. However, the expansion was all due to school start-up, which resulted in normal education employment increases. Only the number of mining and construction jobs remained level during the month. All other major industries as well as noneducational government suffered job losses ranging from 100 to 1,200, fairly normal for the season. Over the year, the number of jobs statewide has declined by 4,800, mainly in the hotels/gaming/recreation sector in Las Vegas. Other areas of substantial job loss throughout the state were construction, manufacturing, and mining.

Nevada's tourism industry is currently looking at its competition and its methods of doing business with a renewed growth stance as its goal. In the near future, though, no rapid improvement in Nevada's economic climate is foreseen.





NEVADA LABOR FORCE SUMMARY
(ESTIMATES IN THOUSANDS)

INDICATOR	SEP 82	SEP 81	CHANGE	% CHANGE	AUG 82
TOTAL LABOR FORCE	486.8	470.7	16.1	3.4%	489.7
UNEMPLOYMENT	50.4	29.2	21.2	72.6	50.1
UNEMPLOYMENT RATE	10.4%	6.2%	---	---	10.2%
UNEMP. RATE (SEASONALLY ADJUSTED)	10.7%	6.5%	---	---	10.6%
TOTAL EMPLOYMENT 1/	436.4	441.4	-5.0	- 1.2	439.6
NONAGRICULTURAL EMPLOYMENT	430.5	435.6	-5.1	- 1.2	432.5
AGRICULTURAL EMPLOYMENT	5.9	5.8	0.1	1.7	7.1
PERSONS INVOLVED IN WORK STOPPAGES	0.0	0.1	---	---	0.0

1/ ADJUSTED BY CENSUS RELATIONSHIPS TO REFLECT # OF PERSONS BY PLACE OF RESIDENCE.

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT 2/
(ESTIMATES IN THOUSANDS)

	SEP 82	SEP 81	CHANGE	% CHANGE	AUG 82
TOTAL ALL INDUSTRIES	418.3	423.1	- 4.8	- 1.1%	416.7
MINING	7.2	8.1	- 0.9	-11.1	7.2
METAL MINING	4.6	5.1	- 0.5	- 9.8	4.5
CONSTRUCTION	23.9	26.3	- 2.4	- 9.1	23.9
MANUFACTURING	19.6	20.8	- 1.2	- 5.8	19.8
DURABLE GOODS	12.6	13.9	- 1.3	- 9.4	12.8
STONE, CLAY & GLASS PRODUCTS	1.5	1.6	- 0.1	- 6.2	1.5
PRIMARY METAL INDUSTRIES	1.4	1.9	- 0.5	-26.3	1.4
NON-DURABLE GOODS	7.0	6.9	0.1	1.4	7.0
FOOD PRODUCTS	1.5	1.5	0.0	0.0	1.5
PRINTING & PUBLISHING	3.1	3.1	0.0	0.0	3.1
CHEMICALS	0.9	0.9	0.0	0.0	0.9
TRANSPORTATION & PUBLIC UTILITIES	25.3	25.5	- 0.2	- 0.8	25.4
TRANSPORTATION	13.5	13.4	0.1	0.7	13.5
RAILROAD	1.8	1.8	0.0	0.0	1.8
TRUCKING & WAREHOUSE	3.7	3.5	0.2	5.7	3.7
AIR	2.9	3.2	- 0.3	- 9.4	2.9
PUBLIC UTILITIES	11.8	12.1	- 0.3	- 2.5	11.9
TOTAL TRADE	86.4	85.9	0.5	0.6	86.6
WHOLESALE	14.0	14.2	- 0.2	- 1.4	14.0
RETAIL	72.4	71.7	0.7	1.0	72.6
GENERAL MERCHANDISE & APPAREL	13.8	13.9	- 0.1	- 0.7	13.8
FOOD STORES	11.4	10.7	0.7	6.5	11.4
AUTO DEALERS & SERVICE STNS.	9.0	9.0	0.0	0.0	9.1
EATING & DRINKING PLACES	24.5	23.9	0.6	2.5	24.6
FINANCE, INSURANCE & REAL ESTATE	17.9	18.5	- 0.6	- 3.2	18.0
FINANCE	8.6	8.7	- 0.1	- 1.1	8.6
SERVICE INDUSTRIES	180.3	181.1	- 0.8	- 0.4	181.5
HOTELS, GAMING & RECREATION	116.6	120.1	- 3.5	- 2.9	117.9
PERSONAL	5.4	5.4	0.0	0.0	5.4
BUSINESS	19.6	18.6	1.0	5.4	19.5
MEDICAL & HEALTH	15.6	14.6	1.0	6.8	15.6
GOVERNMENT	57.7	56.9	0.8	1.4	54.3
FEDERAL	9.4	9.3	0.1	1.1	9.5
STATE & LOCAL	48.3	47.6	0.7	1.5	44.8
EDUCATION - STATE & LOCAL	20.1	19.6	0.5	2.6	15.6

2/ REFLECTS EMPLOYMENT BY PLACE OF WORK. DOES NOT NECESSARILY COINCIDE WITH LABOR FORCE CONCEPT. INCLUDES MULTIPLE JOB HOLDERS.

Housing: Past and Future

by

Ted Zuend, Labor Economist

The housing boom of the seventies has turned into the housing bust of the eighties as housing starts have fallen to post-World War II lows. Some analysts ascribe this to the economic doldrums the United States has been in since late 1979 and expect a strong rebound when the economy recovers. However, a large body of evidence suggests that the seventies boom is a thing of the past and that any housing recovery will be much less feverish.

One of the most concise analyses of housing in the past decade was written in 1980 by Anthony Downs, a Brookings Institution economist. Though Downs does not speculate on the future of housing, he does provide clues as to why a repeat of the seventies is unlikely anytime soon.

Downs points out that a variety of factors combined in the seventies to make housing fulfill much more than a demand for shelter. For many, housing provided the best investment opportunity available in a decade of uncertainty. People bought at an earlier age, invested in more space than necessary, and devoted larger shares of income to housing than in the past. Also, single people jumped onto the homeownership bandwagon in record numbers. While these choices were no doubt correct for the individuals involved, they adversely affected both the housing and non-housing sectors of the economy in the long run. At the same time that many industrial sectors were capital starved, the diverted monies did little more than inflate the value of the existing housing stock. By the end of the decade, inflated prices combined with inflated interest rates (as lenders and savers tried to get their share of the housing bonanza) effectively eliminated most potential first-time homebuyers. Clearly, housing became a victim of its own success. The proportion of sales to first-time homebuyers fell from 36 percent in 1977 to 18 percent in 1979. Without these first-timers, the housing market was largely limited to transactions among current homeowners.

With a substantial decline in interest rates, housing should recover significantly from its dismal performance the past three years. However, the recovery will probably be modest compared to the standards of the seventies, and the industry's performance may be much more reminiscent of the sixties. There are several factors influencing this assessment. Foremost, as Adam Smith, author of Paper Money, notes--"the free ride in housing is over." Savers and lenders have become increasingly sensitive to inflationary pressures. These same pressures which made housing such a good bargain in the seventies would likely have the opposite effect in the eighties due to their upward influence on mortgage rates. Second, government officials of various political persuasions have become concerned about the decaying industrial structure of the United States and may choose to channel more capital in that direction. Finally, the aging of the population which has helped to spur housing since 1965 will begin to impact the industry in the opposite direction beginning about 1985.

Assessments of the housing industry in Nevada, Las Vegas, and Reno will appear in upcoming releases of the Economic Updates.

SOURCE: Anthony Downs, The Brookings Bulletin, Summer 1980.

ALL URBAN
U. S. CONSUMER PRICE INDEX
(1967 = 100)

AUG 82	AUG 81	JUL 82
292.8	276.5	292.2

U. S. UNEMPLOYMENT RATE
Seasonally Adjusted

SEP 82	SEP 81	AUG 82
10.1%	7.5%	9.8%

AVERAGE HOURS AND EARNINGS IN SELECTED INDUSTRIES IN NEVADA

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	SEP 1982	SEP 1981	AUG 1982	SEP 1982	SEP 1981	AUG 1982	SEP 1982	SEP 1981	AUG 1982
MINING	474.16	452.92	475.43	40.7	41.1	40.6	11.65	11.02	11.71
CONSTRUCTION	636.49	583.26	624.89	35.4	35.2	36.1	17.98	16.57	17.31
MANUFACTURING	328.19	346.23	337.69	37.0	38.3	38.2	8.87	9.04	8.84
Durable Goods	347.80	369.38	356.79	37.0	38.8	38.2	9.40	9.52	9.34
Stone, Clay & Glass	416.55	435.39	417.72	36.7	45.4	37.7	11.35	9.59	11.08
Primary Metals	526.40	650.58	507.26	40.0	45.4	38.4	13.16	14.33	13.21
Nondurable Goods	293.83	301.38	302.19	37.1	37.3	38.3	7.92	8.08	7.89
Printing & Publishing	294.50	293.75	294.52	38.0	36.4	38.6	7.75	8.07	7.63
PUBLIC UTILITIES	438.69	408.77	432.83	40.1	41.0	39.6	10.94	9.97	10.93
TRADE	268.32	254.07	263.65	34.4	34.9	34.6	7.80	7.28	7.62

PREPARED BY THE EMPLOYMENT SECURITY RESEARCH SECTION TELEPHONE 702-885-4550
FOR PLACEMENT OF JOB ORDERS CONTACT YOUR NEAREST EMPLOYMENT SERVICE OFFICE

STATE OF NEVADA
EMPLOYMENT SECURITY DEPARTMENT
500 E. THIRD STREET
CARSON CITY, NEVADA 89713

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB 449